

The Honorable Robert S. Lasnik

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON  
SEATTLE DIVISION

LARRY W. JOHNSON,

Plaintiff

v.

RCO LEGAL, P.S.

Defendant

And

WELLS FARGO HOME MORTGAGE, INC.

Garnishee

NO: 2:17-MC-00172-RSL

STIPULATION STAYING  
PROCEEDINGS AND RELIEVING  
WELLS FARGO FROM  
GARNISHMENT ANSWER  
DEADLINE

Elliott Bay Asset Solutions, LLC, the duly appointed General Receiver over RCO Legal, P.S. (the “Receiver”), Larry W. Johnson (“Mr. Johnson”), and Wells Fargo Bank, N.A. as successor by merger to Wells Fargo Home Mortgage, Inc. (herein collectively “Wells Fargo”) and together with the Receiver and Mr. Johnson, collectively (the “Parties”), hereby stipulate as follows:

1. The Receiver initiated litigation against Wells Fargo, which action has not been filed in the King County Superior Court. The Receiver asserted contract and tort claims in the

1 action alleging Wells Fargo owes the Receivership Estate money related to alleged unpaid  
2 invoices from RCO Legal P.S. (“RCO”), Northwest Trustee Services, Inc. (“NTS”), and RCO  
3 Hawaii, LLC (the “Adjunct Proceeding”).

4           2. Wells Fargo and the Receiver have reached a mutually agreeable settlement in the  
5 Adjunct Proceeding, by which Wells Fargo is to pay the Receiver an agreed upon sum (the  
6 “Settlement Payment”), that is subject to approval in the Receivership of RCO and NTS King  
7 County Superior Court Case No. 18-2-08146-7 SEA (the “Receivership Proceeding”).

8           3. The Parties agree that the proceedings in both Case Nos. MC 17-0172 RSL and  
9 MC 17-0173 RSL (the “Federal Court Proceedings”) shall be stayed.

10           4. The Parties stipulate and agree that Wells Fargo’s payment of the Settlement  
11 Payment to the Receiver includes and fully resolves and relieves Wells Fargo from any amount  
12 which Mr. Johnson may claim entitlement to from Wells Fargo under any writ of garnishment,  
13 in the Federal Court Proceedings, the Default Judgment entered by this Court on March 5, 2018  
14 (the “Default Judgment”), and the April 30, 2019 Order to Answer Writ and Awarding Attorney’s  
15 Fees in the above captioned garnishment proceeding (the “Garnishment Orders”), except with  
16 respect to Mr. Johnson’s claims to the Settlement Payment as provided in paragraph 5 herein.

17           5. The Parties agree any amount of the Settlement Payment to which Mr. Johnson  
18 may be entitled to pursuant to the Garnishment Orders shall be adjudicated and resolved by the  
19 King County Superior Court in the Receivership Proceeding (the “Johnson Claim Proceeding”),  
20 which adjudication shall fully resolve the Garnishment Orders and relieve Wells Fargo from any  
21 further payment obligations thereunder or in the Federal Court Proceedings. Mr. Johnson agrees  
22 that during the pendency of the Johnson Claim Proceeding Mr. Johnson shall not execute upon  
23 nor take any enforcement action related to the Default Judgment or the Garnishment Orders.  
24  
25  
26

1 Upon such resolution or adjudication in the Johnson Claim Proceeding or otherwise, the Default  
 2 Judgment shall be deemed satisfied and Mr. Johnson shall file a satisfaction and dismiss the  
 3 Federal Court Proceedings, provided, however, if Mr. Johnson fails to do so, any party may seek  
 4 to have the Default Judgment deemed satisfied and the Federal Court Proceedings dismissed.  
 5

6 6. The Parties further stipulate and agree that Wells Fargo does not need to file any  
 7 further answer with respect to any writ entered in the Federal Court Proceedings and is relieved  
 8 from any and all garnishment answer deadlines in the Federal Court Proceedings.

9 7. The Parties stipulate to the entry of the concurrently filed proposed order.

10 DATED this 10th day of October, 2019.

11 GREEN & NORWOOD

DBS | LAW

13 By /s/ Elizabeth Norwood (by email  
 14 authorization)  
 15 Elizabeth Norwood, WSBA No. 40930  
 Attorneys for Larry Johnson

By /s/ Dominique R. Scalia  
 Dominique R. Scalia, WSBA No. 47313  
 Attorneys for Receiver Elliott Bay Asset  
 Solutions, LLC

16 LANE POWELL

18 By /s/ Rudy Englund (by email authorization)  
 19 Rudy Englund, WSBA No. 04123  
 Attorneys for Wells Fargo